

ARTICLE APPEARED
ON PAGE 4-1

BOSTON GLOBE
22 April 1984

Air Force to pay dearly for routine research

By Fred Kaplan
Globe Correspondent

WASHINGTON - The Air Force staff's top intelligence officer is planning to award a contract worth hundreds of thousands of dollars to a friend and former colleague to write research papers that some officials say are useless to the Air Force.

Furthermore, the contract will be awarded without competitive bidding because the officer plans to channel the money through the Central Intelligence Agency, which has no rules requiring competition.

According to internal Air Force documents, Maj. Gen. James C. Pfautz, assistant chief of staff for intelligence, has agreed to award a research contract to the Center for International Studies at the University of Pittsburgh. The university's research coordinator, Harold Hitchens, is a retired Air Force colonel. University press liaison Mary Ann Aug says that Hitchens lined up the contract and that he and Gen. Pfautz are friends.

The university chancellor, Wesley W. Posvar, is also a retired Air Force colonel.

Although no contract has been formally signed, the documents indicate that Gen. Pfautz has approved going ahead with the arrangement.

The documents were obtained by the Project on Military Procurement, a nonprofit group frequently critical of Pentagon policies, and supplied to The Globe.

The university's proposal is to commission 10 research papers, of 15 to 20 pages each, over the next year. For this, it wants to charge the Air Force \$362,435 - or more than \$36,000 per paper. The cost includes an \$8000 author's fee for each paper, plus \$3000 for "ancillary costs" including travel, student assistance and miscellaneous expenses. The rest of the money is for administrative support and printing 500 copies of each paper.

Prospective titles for these papers include "Philippines After Marcos," "Persian Gulf: Problems and Prospects," "Israel Under a Labor Government," "Political and Economic Effect of China's Use of Private Incentives in a Collective Society," and "The National Question in Post-Tito Yugoslavia."

An Air Force spokesman says these papers address the "kinds of issues and problems" that interest the assistant chief of staff for intelligence.

Some Air Force officials, however, are skeptical. Says one: "How the hell does this relate to the needs of Air Force intelligence?"

A former CIA official who formerly administered research contracts says, "This sounds like the stuff you could find in any political science graduate school seminar in the United States, or on a State Department fact sheet for that matter."

Another Air Force official questions the propriety of awarding the contract to the University of Pittsburgh, given Gen. Pfautz's personal relationship with the research director there. He calls the proposed contract "laundered money to corrupt the groves of academe. The lesson that other universities might learn from this deal is that they should go out and hire a colonel."

An Air Force spokesman denies this claim. He says the University of Pittsburgh is "uniquely qualified" to do the work assigned "because of the expertise they have, the data base they have, because of the way they've organized to do the research."

He emphasizes that no contract has been finalized and that the cost may be "somewhat lower" than the amount proposed by Pittsburgh. However, a Feb. 15 memorandum to Gen. Pfautz from Col. Charles G. Shankland, the general's deputy director of intelligence estimates, says, regarding the university's budget proposal, "There appears to be no insurmountable problems."

The documents also reveal that Air Force intelligence channels money for nearly all outside research through the CIA. A Feb. 7 memo from Col. Shankland to Gen. Pfautz notes that "Discussions with CIA contract negotiation staffs reveal that CIA plans to continue to [award] sole-source contracts and to place money on contract through 30 September 1984. Apparently, new regulations designed to encourage competitive contract negotiation do not apply to CIA. This makes CIA the logical agency to place [Air Force] fallout monies we might obtain."

"Fallout money" refers to money left over at the end of a fiscal year. All government agencies are eager to dispense this money as quickly as possible, since if they don't appear to need their full budgets this year, Congress may not grant them any additional money next year.

The Shankland memo indicates that Air Force Intelligence sets up research contracts, through the CIA and the State Department, long ahead of time so that when the end of the year comes and money is left over they have somewhere to spend it.

The University of Pittsburgh is just one example of this practice. Says a former CIA official, "This is the way most study contracts are done. It goes on all the time."